



FLOOR AMENDMENT NO. _____

BY: TINDERHOLT

1 Amend C.S.S.B. No. 3 (house committee report) as follows:

2 (1) On page 13, line 25, strike "Subsection (e) and adding
3 Subsections (f)," and substitute "Subsections (d) and (e) and
4 adding Subsections (d-1), (f),".

5 (2) On page 13, between lines 26 and 27, insert the
6 following:

7 (d) The commission shall price wholesale transmission
8 services within ERCOT based on the postage stamp method of pricing
9 under which a transmission-owning utility's rate is based on the
10 ERCOT utilities' combined annual costs of transmission, other than
11 costs that exceed the allowance described in Subsection (d-1),
12 divided by the total demand placed on the combined transmission
13 systems of all such transmission-owning utilities within a power
14 region. An electric utility subject to the freeze period imposed by
15 Section 39.052 may treat transmission costs in excess of
16 transmission revenues during the freeze period as an expense for
17 purposes of determining annual costs in the annual report filed
18 under Section 39.257. Notwithstanding Section 36.201, the
19 commission may approve wholesale rates that may be periodically
20 adjusted to ensure timely recovery of transmission investment.
21 Notwithstanding Section 36.054(a), if the commission determines
22 that conditions warrant the action, the commission may authorize
23 the inclusion of construction work in progress in the rate base for
24 transmission investment required by the commission under Section
25 39.203(e).

26 (d-1) The commission by rule shall establish a reasonable
27 allowance for capital costs incurred to interconnect generation
28 resources and electric energy storage resources described by
29 Section 35.152(a) with the ERCOT transmission system, which must

1 include the costs of the direct interconnection of the generator to
2 the system and upgrades directly caused by the interconnection.
3 Any costs that exceed the allowance must be borne directly by the
4 generation resource or electric energy storage resource receiving
5 interconnection service through the facilities.